

YOUNG AMERICA'S FOUNDATION
AUDITED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Table of Contents

	Page
Independent Auditors' Report	1 - 2
Audited Financial Statements	
Statements of Financial Position	3 - 4
Statements of Activities and Changes in Net Assets	5 - 6
Statements of Functional Expenses	7 - 8
Statements of Cash Flows	9 - 10
Notes to Financial Statements	11 - 33



Independent Auditors' Report

To the Board of Directors
Young America's Foundation
Arlington, Virginia

Opinion

We have audited the accompanying financial statements of **Young America's Foundation** (a nonprofit organization), which comprise the Statements of Financial Position as of December 31, 2025 and 2024, and the related Statements of Activities and Changes in Net Assets, Functional Expenses, and Cash Flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Young America's Foundation** as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Young America's Foundation** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **Young America's Foundation's** ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Independent Auditors' Report (continued)

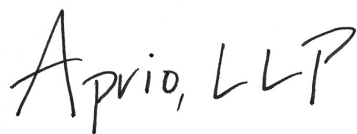
Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **Young America's Foundation's** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **Young America's Foundation's** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

A handwritten signature in black ink that reads "Aprivo, LLP". The signature is written in a cursive, flowing style.

Rockville, Maryland
May 18, 2026

Young America's Foundation

Statements of Financial Position

<i>December 31,</i>	2025	2024
Assets		
Current assets		
Cash and cash equivalents	\$ 2,696,418	\$ 6,072,026
Investments and deferred compensation	64,581,243	58,712,066
Accounts receivable, net	2,028,325	1,185,452
Bequests receivable, current portion	3,066,000	2,815,000
Promises to give, current portion	966,510	2,641,258
Prepaid expenses	1,566,144	688,745
Total current assets	74,904,640	72,114,547
Cash held for long term purposes	100,000	100,000
Certificates of deposit	583,504	652,306
Bequests receivable, less current portion and discount	1,409,944	1,341,894
Promises to give, less current portion and discount	3,305,957	3,461,410
Property, buildings and equipment, net	31,053,127	29,171,253
Collections	2,327,148	2,327,148
Right of use assets - operating leases	7,512,947	4,084,513
Other assets	1,936,287	1,950,946
Total assets	\$ 123,133,554	\$ 115,204,017

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Young America's Foundation

Statements of Financial Position (continued)

<i>December 31,</i>	2025	2024
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 2,156,353	\$ 2,342,010
Annuities payable, current portion	112,544	107,398
Refundable advance	500,000	-
Contract liabilities	116,440	53,418
Lease liabilities - operating leases, current portion	138,294	1,039,286
Total current liabilities	3,023,631	3,542,112
Annuities payable, less current portion	928,853	892,768
Lease liabilities - operating leases, net of current portion	9,031,389	4,168,836
Deferred compensation plans	844,657	564,634
Total liabilities	13,828,530	9,168,350
Net assets		
Without donor restrictions	52,796,260	51,850,539
With donor restrictions	56,508,764	54,185,128
Total net assets	109,305,024	106,035,667
Total liabilities and net assets	\$ 123,133,554	\$ 115,204,017

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Young America's Foundation

Statements of Activities and Changes in Net Assets

<i>For the Years Ended December 31,</i>	Without Donor Restrictions	With Donor Restrictions	2025 Total	Without Donor Restrictions	With Donor Restrictions	2024 Total
Revenue, support and other changes						
Contributions	\$ 17,450,076	\$ 9,525,701	\$ 26,975,777	\$ 21,782,144	\$ 12,624,721	\$ 34,406,865
Bequests	6,117,188	-	6,117,188	3,758,689	-	3,758,689
In-kind donations	321,408	-	321,408	100,355	-	100,355
Conference income	283,908	-	283,908	248,651	-	248,651
Speaker income	260,934	-	260,934	226,432	-	226,432
List rental income	31,962	-	31,962	36,998	-	36,998
Publication sales	22,821	-	22,821	20,761	-	20,761
Change in value of split interest agreements	-	445	445	-	(1,540)	(1,540)
Rental Income	89,199	-	89,199	74,319	-	74,319
Investment income, net	2,480,315	5,319,839	7,800,154	3,569,455	4,956,857	8,526,312
Other income	15,390	-	15,390	650	-	650
Net assets released from restrictions	12,522,349	(12,522,349)	-	14,118,821	(14,118,821)	-
Total support and revenue	39,595,550	2,323,636	41,919,186	43,937,275	3,461,217	47,398,492

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Young America's Foundation

Statements of Activities and Changes in Net Assets (continued)

<i>For the Years Ended December 31,</i>	Without Donor Restrictions	With Donor Restrictions	2025 Total	Without Donor Restrictions	With Donor Restrictions	2024 Total
Expenses						
Program services:						
Public information	5,069,112	-	5,069,112	5,080,780	-	5,080,780
Special projects	26,488,764	-	26,488,764	24,999,505	-	24,999,505
Total program services	31,557,876	-	31,557,876	30,080,285	-	30,080,285
Supporting activities:						
Management and general	5,653,825	-	5,653,825	4,800,216	-	4,800,216
Fundraising	1,438,128	-	1,438,128	1,560,043	-	1,560,043
Total supporting activities	7,091,953	-	7,091,953	6,360,259	-	6,360,259
Total expenses	38,649,829	-	38,649,829	36,440,544	-	36,440,544
Change in net assets	945,721	2,323,636	3,269,357	7,496,731	3,461,217	10,957,948
Net assets, beginning of year	51,850,539	54,185,128	106,035,667	44,353,808	50,723,911	95,077,719
Net assets, end of year	\$ 52,796,260	\$ 56,508,764	\$ 109,305,024	\$ 51,850,539	\$ 54,185,128	\$ 106,035,667

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Young America's Foundation

Statement of Functional Expenses

<i>For the Year Ended December 31, 2025</i>	Program Services			Supporting Activities		
	Public information	Special projects	Total program expenses	Management and general	Fundraising	Total
Advertising and marketing	\$ -	\$ 1,258,600	\$ 1,258,600	\$ 1,952	\$ -	\$ 1,260,552
Bad debt expense	-	-	-	126,573	-	126,573
Bank fees and charges	49,248	80,779	130,027	9,557	10,902	150,486
Books, subscriptions and references	14,009	421,125	435,134	37,727	-	472,861
Conferences, bequests and meetings	-	188,604	188,604	8,651	-	197,255
Depreciation and amortization expense	136,572	1,153,943	1,290,515	136,876	60,560	1,487,951
Equipment <\$1,000	-	1,064	1,064	67,346	-	68,410
Equipment rental and maintenance	19,273	-	19,273	771,265	-	790,538
Honoraria	-	1,590,986	1,590,986	1,500	-	1,592,486
Housing	-	2,089,168	2,089,168	22,718	-	2,111,886
Insurance	-	309	309	618,533	-	618,842
Landscaping and maintenance	-	-	-	224,204	-	224,204
List rental expense	97,081	1,290	98,371	65,914	26,954	191,239
Meals	-	3,756,854	3,756,854	62,930	-	3,819,784
Outsourcing and consulting	755,481	1,807,123	2,562,604	49,163	212,160	2,823,927
Payroll benefits fees	2,984	25,216	28,200	2,991	1,323	32,514
Payroll taxes	52,770	445,125	497,895	52,265	23,382	573,542
Personal property tax	-	-	-	110,021	-	110,021
Postage and shipping	1,309,431	9,027	1,318,458	429,394	436,810	2,184,662
Printing and copying	1,028,935	49,125	1,078,060	434,087	207,048	1,719,195
Professional development	-	400	400	23,029	-	23,429
Professional fees	950	193,772	194,722	587,092	-	781,814
Real estate	-	-	-	20,045	-	20,045
Rent and occupancy	84,391	714,326	798,717	436,428	37,422	1,272,567
Office repairs and maintenance	-	-	-	227,882	-	227,882
Other	-	12,500	12,500	6,337	-	18,837
Salaries and benefits	922,500	7,891,887	8,814,387	963,208	401,915	10,179,510
Scholarships	-	279,534	279,534	-	-	279,534
Supplies	30,039	248,898	278,937	-	16,637	295,574
Taxes, other	-	-	-	10,378	-	10,378
License and registration fees	-	5,423	5,423	43,241	-	48,664
IT web services	558,635	2,099,646	2,658,281	74,385	-	2,732,666
Telephone and telecommunications	6,799	57,443	64,242	6,814	3,015	74,071
Travel	14	2,106,597	2,106,611	21,319	-	2,127,930
Total expenses	\$ 5,069,112	\$ 26,488,764	\$ 31,557,876	\$ 5,653,825	\$ 1,438,128	\$ 38,649,829

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Young America's Foundation

Statement of Functional Expenses

<i>For the Year Ended December 31, 2024</i>	Program Services			Supporting Activities		
	Public information	Special projects	Total program expenses	Management and general	Fundraising	Total
Advertising and marketing	\$ -	\$ 1,071,260	\$ 1,071,260	\$ 4,326	\$ -	\$ 1,075,586
Animal care	-	-	-	3,775	-	3,775
Bad debt expense	-	-	-	113,885	-	113,885
Bank fees and charges	56,012	84,836	140,848	10,290	17,152	168,290
Books, subscriptions and references	4,526	420,166	424,692	61,465	-	486,157
Conferences, bequests and meetings	-	201,879	201,879	6,149	-	208,028
Depreciation and amortization expense	130,805	1,139,048	1,269,853	138,263	61,047	1,469,163
Equipment rental and maintenance	52,952	206,020	258,972	539,021	-	797,993
Equipment <\$1,000	39,227	2,831	42,058	44,969	-	87,027
Honoraria	-	1,575,889	1,575,889	-	-	1,575,889
Housing	-	2,034,246	2,034,246	-	-	2,034,246
Insurance	-	-	-	355,208	-	355,208
Landscaping and maintenance	-	-	-	202,051	-	202,051
List rental expense	111,946	999	112,945	-	22,137	135,082
Meals	-	2,765,303	2,765,303	131,613	-	2,896,916
Payroll benefits fees	2,614	22,761	25,375	2,763	1,220	29,358
Payroll taxes	49,024	425,565	474,589	50,704	23,030	548,323
Personal property tax	-	-	-	155,152	-	155,152
Postage and shipping	1,158,899	199,908	1,358,807	280,261	425,141	2,064,209
Printing and copying	802,746	398,286	1,201,032	325,628	176,624	1,703,284
Professional development	-	1,750	1,750	13,755	-	15,505
Professional fees	-	260,791	260,791	116,230	-	377,021
Real estate	-	-	-	5,707	-	5,707
Rent and occupancy	73,658	641,468	715,126	441,001	34,376	1,190,503
Office repairs and maintenance	-	232	232	96,134	-	96,366
Salaries and benefits	856,478	7,534,774	8,391,252	904,436	390,967	9,686,655
Scholarships	-	223,850	223,850	-	-	223,850
Supplies	30,187	295,406	325,593	27,014	11,998	364,605
Taxes, other	-	-	-	645	-	645
License and registration fees	-	9,831	9,831	60,549	-	70,380
IT web services	286,558	2,071,051	2,357,609	279,919	-	2,637,528
Telephone and telecommunications	8,787	76,729	85,516	9,288	4,101	98,905
Travel	-	2,233,844	2,233,844	83,468	-	2,317,312
Total expenses	\$ 5,080,780	\$ 24,999,505	\$ 30,080,285	\$ 4,800,216	\$ 1,560,043	\$ 36,440,544

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Young America's Foundation

Statements of Cash Flows

<i>For the Years Ended December 31,</i>	2025	2024
Cash flows from operating activities		
Change in net assets	\$ 3,269,357	\$ 10,957,948
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	1,487,951	1,469,163
Bad debt expense	126,573	113,885
Change in value of split interest agreements	(445)	1,540
Realized and unrealized loss (gain) on investments related to annuities	43,327	(18,298)
Realized and unrealized gain on investment	(6,417,099)	(7,054,969)
Change in present value discount on promises to give and bequests	119,847	106,702
Receipt of restricted contributions, endowment	(615,743)	(363,279)
Change in		
Accounts receivable, net	(969,446)	(76,674)
Bequests receivable, net	(251,001)	1,347,716
Promises to give, net	1,642,305	(4,283,381)
Prepaid expenses	(877,399)	(6,642)
Right of use assets - operating leases	(3,428,434)	495,354
Other assets	14,659	(91,133)
Accounts payable and accrued expenses	(185,657)	8,956
Contract liabilities	63,022	26,088
Refundable advance	500,000	-
Lease liabilities - operating leases	3,961,561	(651,227)
Deferred compensation plan	280,023	149,046
Net cash provided by (used in) operating activities	(1,236,599)	2,130,795
Cash flows from investing activities		
Sales of investments	10,082,490	12,454,653
Sales of certificate of deposit	97,529	-
Purchases of investments	(9,534,123)	(11,263,920)
Purchases of certificates of deposit	(28,727)	(583,785)
Purchase of property, buildings and equipment	(3,369,825)	(2,715,731)
Purchases of collections	-	(40,171)
Net cash used in investing activities	(2,752,656)	(2,148,954)

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Young America's Foundation

Statements of Cash Flow (continued)

<i>For the Years Ended December 31,</i>	2025	2024
Cash flows from financing activities		
Receipts of annuities	110,448	224,999
Payments of annuities	(112,544)	(107,398)
Receipt of restricted contributions, endowment	615,743	363,279
Net cash provided by financing activities	613,647	480,880
Net change in cash, cash equivalents, and restricted cash	(3,375,608)	462,721
Cash, cash equivalents, and restricted cash, beginning of year	6,172,026	5,709,305
Cash, cash equivalents, and restricted cash, end of year	\$ 2,796,418	\$ 6,172,026
Supplemental disclosures		
<i>Cash and cash equivalents and cash for long term purpose consisted of the following at end of year</i>		
Cash and cash equivalents	\$ 2,696,418	\$ 6,072,026
Cash held for long term purposes	100,000	100,000
	\$ 2,796,418	\$ 6,172,026
Noncash transactions		
Recognition of right-of-use assets - operating leases	\$ 7,385,098	\$ 343,017
Recognition of lease liabilities - operating leases	\$ (9,086,343)	\$ (343,017)
Donated securities	\$ 2,408,057	\$ 1,532,067

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Young America's Foundation

Notes to Financial Statements

1. Organization and significant accounting policies

Organization: Young America's Foundation (the "Foundation") is a not-for-profit organization chartered on November 18, 1969 and headquartered in Reston, Virginia. The Foundation was organized to promote, encourage, and support the development of youth leadership through a series of programs designed to assist young people in acquiring the techniques of leadership, experience in the national life, and generally to encourage leadership roles in the life of the community and nation.

The Foundation's two main programs are special projects and public information. The special projects include lectures, conferences, internships, Young Americans for Freedom student chapters, the National Journalism Center, and the Reagan Ranch program. The public information category provides educational and informational materials through the Foundation's media and communications activities including its web site, newsletters and mailings to the Foundation's target audience in support of its programs.

The Foundation's program activities include:

Premier youth-oriented conferences introducing students to the ideas that make our country great: individual freedom, limited government, a strong national defense, free enterprise, and traditional values. These conferences are held in various locations around the country and are geared to college and high school students.

Campus initiatives include lectures, training materials, and a network of Young Americans for Freedom student chapters. The Foundation provides conservative students with the necessary information, tools and resources to effectively advance conservative ideas on their college or high school campus.

The National Journalism Center is devoted to accuracy, balance, and comprehension of the issues, training students in the skills of press work, and assigning internships at cooperating media locations.

The Reagan Ranch, Western White House, program is devoted to preserving and protecting President Ronald Reagan's Rancho del Cielo located in California and educating young people on the President's ideas of individual freedom, limited government, patriotism, and traditional values.

The Reagan childhood home in Dixon, Illinois, includes four properties that make up the Ronald Reagan Home Preservation Foundation (RRHPF).

Basis of accounting: These financial statements are prepared under the accrual basis of accounting. Under this accounting method, income is recorded as earned and expenses are recorded as incurred.

Young America's Foundation

Notes to Financial Statements

Basis of presentation: The accompanying policies of the Foundation are in accordance with accounting principles generally accepted in the United States of America applied on a basis consistent with that of the preceding years. The Foundation reports information regarding its financial position and activities under standards for not-for-profit organizations issued by the Financial Accounting Standards Board (FASB).

Estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. These estimates also affect the disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Accordingly, actual results could differ from those estimates and assumptions.

Cash and cash equivalents: For financial statement purposes, the Foundation considers highly liquid debt instruments purchased with original maturities of ninety days or less to be cash equivalents. The Foundation maintains cash balances at seven commercial banks, the balances can exceed the Federal Deposit Insurance Corporation (FDIC) insured deposit limit of \$250,000 per financial institution. At December 31, 2025 and 2024, the Foundation's cash balance held at the commercial banks exceeded the insured limit by approximately \$2,786,000 and \$5,165,000, respectively. Cash held for long term purposes includes cash received with donor-imposed restrictions that limit their use to long-term purposes within net assets with donor restrictions.

Investments: Investments are reported at fair value and contributions of marketable securities are recorded at their fair value at the date of donation. Changes in unrealized gains and losses resulting from changes in fair value are reflected in the Statements of Activities and Changes in Net Assets. Dividends and interest are recognized as earned. Money market equity funds, domestic equity mutual funds, fixed income mutual funds and exchange traded funds are valued at the quoted market value of the net asset value (NAV) of shares held by the Foundation at year end. Equities are valued using the closing price reported in the active market in which individual securities are traded. Government securities are valued at the quoted market price or dealer quotes for similar instruments that are used to estimate the fair value.

Fair value measurement: The Foundation values its investments at fair value in accordance with a three-tier hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1: Observable inputs such as quoted prices in active markets for identical assets;

Level 2: Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and,

Young America's Foundation

Notes to Financial Statements

Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. There have been no changes in the fair value methodologies used at December 31, 2025 or 2024.

Certificates of deposit: The certificates of deposit are valued at amortized cost and totaled \$583,504 and \$652,306 as of December 31, 2025 and 2024, respectively. The certificates of deposit serve as collateral for the letters of credit.

Accounts receivable: Accounts receivable are amounts due from colleges and universities for speaker reimbursements and contributions received postmarked by, but not deposited until after December 31. The face amount of accounts receivable is reduced by an allowance for credit losses, if needed. The allowance for credit losses estimates the allowance for lifetime expected credit losses. Estimates of expected credit losses are based on historical collection experience and other factors, including current market factors and forecasted economic conditions. Accounts receivable are determined to be past due on a contractual term of 30 days. All accounts or portions thereof that are deemed to be uncollectible, or that require an excessive collection cost, are written off to the allowance. The Foundation has elected to apply the practical expedient in accordance with ASU No. 2025-05, Financial Instruments—Credit Losses (Topic 326): *Measurement of Credit Losses for Accounts Receivable and Contract Assets For Private Companies And Certain Not-For Profit Entities* and assumes that the current conditions as of the Statement of Financial Position date do not change over the remaining life of the asset. The Foundation has also elected the accounting policy option to consider post statement of financial position date cash collections when evaluating the allowance. The standard allows the Foundation to select a post statement of financial position date and the Foundation has elected to use March 31 for this purpose. As of December 31, 2025 and 2024, the allowance for credit losses was \$63,042 and \$0, respectively.

Bequests receivable: The Foundation records bequests to be received as income when it has received notification from the estate of an unconditional bequest that is measurable. Bequests receivable are reviewed for collectability and a provision for uncollectible promises to give is recorded based on management's judgment and analysis of the creditworthiness of the donors, past collection experience, and other relevant factors. The discounts on bequests are computed using a discount rate equal to the prevailing local borrowing rate. Amortization of the discount is included in bequest revenue. There was no allowance for uncollectible bequests as of December 31, 2025 and 2024.

Young America's Foundation

Notes to Financial Statements

Promises to give: Unconditional promises to give are recorded as contributions when received. Amounts expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on promises to give made prior to January 1, 2009 are computed using risk-free interest rates applicable to the years in which the amounts are pledged. The discounts on promises to give made after January 1, 2009 are computed using a discount rate equal to the prevailing local borrowing rate. Amortization of the discount is included in contribution revenue. Management does not believe that an allowance for uncollectible promises to give is necessary.

Property, buildings and equipment: Property, buildings and equipment are stated at cost and are depreciated using the straight-line method over an estimated useful life of three to five years for equipment and thirty to forty years for property. Leasehold improvements are amortized using the straight-line method over the shorter of the remaining lease term or the estimated useful life of the asset. Property, building and equipment additions and improvements acquired at a cost greater than \$5,000 are capitalized. Construction in progress is not depreciated until completed and placed into service. Contributed property and equipment is recorded at fair value at the date of the donation. If donors stipulate how long the assets must be used, the contributions are recorded as contributions with donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded as contributions without donor restrictions.

Collections: The Foundation's collections are made up of historical treasures that are held for educational and curatorial purposes. Collections have been recorded as assets at cost, if purchased, or at estimated fair value as of the date of contribution, if contributed. Depreciation is not recorded on collections.

Young America's Foundation

Notes to Financial Statements

Leases: Right-of-use assets (ROU) and lease liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term. ROU assets also include adjustments related to lease payments made and lease incentives received at or before the commencement date. Lease incentives received after the commencement date are included in accounts receivable in the accompanying Statement of Financial Position. Such amounts represent contractual reimbursements for qualifying improvements and are reflected as a reduction in the ROU assets. The ROU assets resulting from operating leases are disclosed as right-of-use asset – operating leases and the related liabilities are included in lease liabilities – operating leases in the Statements of Financial Position. At lease commencement, lease liabilities are recognized based on the present value of the remaining lease payments and discounted using the risk-free rate. Operating lease cost is recognized on a straight-line basis over the lease term as occupancy in the accompanying Statements of Functional Expenses. Lease and non-lease components of lease agreements are accounted as a single component. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option. The Foundation determines if an arrangement is a lease at inception. All leases are recorded on the Statements of Financial Position except for leases with an initial term less than 12 months for which the Foundation made the short-term lease election.

Impairment of long-lived assets: Long-lived assets to be held are reviewed for events or changes in circumstances which indicate that their carrying value may not be recoverable. Long-lived assets held for sale are to be stated at the lower of cost or fair market value less costs to sell. The Foundation has determined that no events occurred during the years ended December 31, 2025 and 2024 that would give rise to impairment of its long-lived assets.

Beneficial interest in remainder trusts: The Foundation is named as the beneficiary in remainder trusts held by third parties. The trusts, which are invested in cash equivalents, equity and fixed income funds and other assets, are measured at the present value of the future distribution expected to be received over the term of the agreement. The discount rates used in the present value calculation are between 7% and 7.5%. The trusts are included in other assets on the Statements of Financial Position.

Young America's Foundation

Notes to Financial Statements

Beneficial interest in perpetual trust: The Foundation is named as the beneficiary in a perpetual trust held by a third party. Perpetual trusts are initially recorded as permanently restricted public support (bequest or contribution revenue, depending on the initial source of the gift) at fair value, based on the Foundation's interest in the fair value of the underlying trust assets at the time of the gift. Subsequent changes to the trust's fair value are reported as permanently restricted net unrealized gains or losses on perpetual trusts and are included in change in value of split interest agreement on the Statements of Activities and Changes in Net Assets. Income received from the trust is reported as investment income with or without donor restrictions, depending on the existence or absence of donor-imposed restrictions. The trust is included in other assets on the Statements of Financial Position.

Under the term of the trust, the Foundation has an irrevocable right to receive a portion of the income earned on the trust assets in perpetuity. Distributions from the trust are based on the terms of the underlying trust agreement and generally require that investment income be distributed on at least an annual basis. The trust is invested in cash equivalents, municipal bonds, preferred securities, common stocks, mutual funds, real estate trusts and funds and real property.

Annuities payable: The liability for annuities is based on actuarially determined present values considering the income, beneficiaries and applicable discount rates based on federal tables. Actuarial adjustments are recognized in the Statements of Activities and Changes in Net Assets for the changes in the value and are included in change in value of split interest agreements (see Note 9).

Classification of net assets: Net assets and revenues are classified based on the existence or absence of donor-imposed restrictions. Under the standards for not-for-profit organizations issued by FASB, the Foundation is required to report information regarding its financial position and activities in two classes of net assets as follows:

Net assets without donor restrictions – not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Foundation's management and the board of directors.

Net assets with donor restrictions – subject to stipulations imposed to donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Young America's Foundation

Notes to Financial Statements

Revenue recognition: The Foundation recognizes revenue in accordance with Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* (ASC 606). The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied. The five-step model is outlined below:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Accordingly, the following revenue streams are within the scope of ASC 606:

Conference income - Conference income is recognized at a point in time on the date that the conference takes place.

Speaker income - Speaker income is recognized at a point in time on the date the speech takes place.

List rental income - List rental income is recognized at a point in time when a contract with a mailing house is fulfilled.

Publication sales - Publication sales income is recognized at the point in time of the sale of the materials.

Contract assets and liabilities come from conference and speaker income and are included in accounts receivable and contract liabilities in the accompanying Statements of Financial Position. As of December 31, 2025 and 2024 contract assets were \$158,130 and \$99,654, respectively and contract liabilities were \$116,440 and \$53,418, respectively. These balances are the result of timing differences between when revenue is recognized and when the related payments are received. The opening balances of contract assets and contract liabilities as of January 1, 2024 were \$136,550 and \$27,330, respectively.

The following revenue streams are outside the scope of ASC 606:

Rental income – Rental income includes rent from short term rental properties and a townhouse for events. Revenue is recognized monthly as the revenue is earned or at the time of the events.

Young America's Foundation

Notes to Financial Statements

Contributions and bequests: Contributions and bequests are recognized when they are received, or unconditionally promised, or when conditions related to the contribution are satisfied. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Amounts that are received in advance before the condition is met is recorded as a refundable advance in the Statement of Financial Position. The Foundation reports such support as donor-restricted if it is subject to time or donor-imposed purpose restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Changes in Net Assets as net assets released from restrictions when a stipulated time restriction ends, purpose restriction is satisfied, or both.

In-kind donations: The Organization receives goods such as books, stamps and a cruise cabin rental from individuals.

Contributed goods are recognized when received at management's estimate of their fair value. Upon distribution, the goods are recorded as a decrease in either net assets with donor restrictions or net assets without donor restrictions, depending on the presence of any donor-imposed restrictions on their use.

Donated securities: The Foundation classifies cash receipts from the sale of donated securities that upon receipt were converted nearly immediately into cash and contained no donor-imposed restrictions as cash flows from operations on the Statements of Cash Flows, while cash receipts from the sale of donated securities with donor-imposed long-term restrictions are classified as financing activities. Otherwise, receipts from the sale of donated securities are classified as cash flows from investing activities.

Functional allocation of expenses: The costs of furthering the mission of the Foundation through programs and activities are reflected in the financial statements on a functional basis. As such, certain costs have been allocated among programs and supporting activities. Management on a fair and equitable basis determines such allocations.

<u>Expenses</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and effort
Supplies	Department salaries
Telephone and telecommunications	Department salaries
Rent and occupancy	Department salaries
Depreciation	Department salaries
Bank fees and charges	Department salaries
Payroll processing charges	Department salaries

Young America's Foundation

Notes to Financial Statements

Costs of joint activities: The Foundation accounts for costs of joint activities which are part fundraising and have elements of one or more other functions, such as program or management and general, according to certain criteria of purpose, audience and content in order to allocate any portion of the costs of joint activities to a functional area other than fundraising.

Advertising: Advertising costs are expensed as incurred. For the years ended December 31, 2025 and 2024, advertising costs totaled \$868,739 and \$710,256, respectively.

Income taxes: The Foundation is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). The Foundation generated no unrelated business income during 2025 and 2024. Management has concluded that the Foundation has maintained their exempt status.

Uncertainty in income taxes: The Foundation evaluates uncertainty in income tax positions based on a more-likely-than-not recognition standard. If that threshold is met, the tax position is then measured at the largest amount that is greater than 50% likely of being realized upon ultimate settlement. As of December 31, 2025 and 2024, there are no accruals for uncertain tax positions. If applicable, the Foundation records interest and penalties as a component of income tax expense. Tax years from 2022 through the current year remain open for examination by tax authorities.

Recently adopted accounting pronouncement: In July 2025, the FASB issued ASU No. 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets For Private Companies And Certain Not-For Profit Entities*. The Foundation has elected to apply the practical expedient in accordance with ASU 2025-05 which assumes that the current conditions as of the Statement of Financial Position date used to estimate the allowance for credit losses do not change over the remaining life of the asset. The adoption of this did not have a material impact and is applied prospectively. A cumulative effect adjustment to beginning net assets was not required.

Subsequent Events: In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through May 18, 2026, the date the financial statements were available to be issued.

Young America's Foundation

Notes to Financial Statements

2. **Liquidity and the availability of resources** Financial assets available for general expenditure within one year of the statements of financial position consist of the following at December 31:

	2025	2024
Cash and cash equivalents	\$ 2,696,418	\$ 6,072,026
Investments and deferred compensation	64,581,243	58,712,066
Accounts receivable	2,028,325	1,185,452
Bequest receivable, net of discount	4,475,944	4,156,894
Promises to give, net of discount	4,272,467	6,102,668
Total financial assets	78,054,397	76,229,106
Less amounts not available to be used within one year:		
Donor restricted net assets	(56,508,764)	(54,185,128)
Financial assets available to meet general expenditures over the next twelve months	\$ 21,545,633	\$ 22,043,978

As part of its liquidity management, the Foundation has a policy to structure its financial assets to be available as its general expenses, liabilities, and other obligations come due. The Foundation seeks to cover 2 months of budgeted operational expenses (approximately \$4 million). Excess cash is invested in the Foundation's investment portfolio (see Note 3). The Foundation keeps average days cash on hand of 60 days at December 31, 2025 and 2024.

3. **Investments and deferred compensation** Investments consisted of the following as of December 31:

	2025	2024
Money market mutual funds	\$ 1,407,124	\$ 1,181,662
Domestic equity mutual funds	28,294,042	27,700,670
Equities	13,860,097	9,950,470
Fixed income mutual funds	7,410,688	6,732,262
Government securities	4,439,507	5,109,866
Exchange traded funds	9,169,785	8,037,136
Total investments	\$ 64,581,243	\$ 58,712,066

Young America's Foundation

Notes to Financial Statements

Investment income consisted of the following for the year ended December 31:

	2025	2024
Investment income:		
Interest and dividends	\$ 1,358,452	\$ 1,395,572
Investment fees	(122,380)	(107,578)
Realized and unrealized gains	6,417,099	7,054,969
Gross investment income	7,653,171	8,342,963
Plus: investment gain included in change in value of annuities	146,983	183,349
Total investment income, net	\$ 7,800,154	\$ 8,526,312

4. Fair value

Certain assets were recorded at fair value on a recurring basis as of December 31, 2025 and 2024 based on the following level of hierarchy:

		Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2025	Total			
Investments:				
Money market mutual funds	\$ 1,407,124	\$ 1,407,124	\$ -	\$ -
Domestic equity mutual funds	28,294,042	28,294,042	-	-
Equities	13,860,097	13,860,097	-	-
Fixed income mutual funds	7,410,688	7,410,688	-	-
Government securities	4,439,507	-	4,439,507	-
Exchange traded funds	9,169,785	9,169,785	-	-
Total investments	\$ 64,581,243	\$ 60,141,736	\$ 4,439,507	\$ -
Beneficial interest in remainder trust	\$ 417,701	\$ -	\$ -	\$ 417,701
Beneficial interest in perpetual trust	\$ 1,307,472	\$ -	\$ -	\$ 1,307,472

Young America's Foundation

Notes to Financial Statements

December 31, 2024	Total	Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Money market mutual funds	\$ 1,181,662	\$ 1,181,662	\$ -	\$ -
Domestic equity mutual funds	27,700,670	27,700,670	-	-
Equities	9,950,470	9,950,470	-	-
Fixed income mutual funds	6,732,262	6,732,262	-	-
Government securities	5,109,866	-	5,109,866	-
Exchange traded funds	8,037,136	8,037,136	-	-
Total investments	\$ 58,712,066	\$ 53,602,200	\$ 5,109,866	\$ -
Beneficial interest in remainder trust	\$ 381,166	\$ -	\$ -	\$ 381,166
Beneficial interest in perpetual trust	\$ 1,209,000	\$ -	\$ -	\$ 1,209,000

The Foundation invests in various investment securities that are exposed to different risks such as interest rate, credit and market volatility risks. Due to the level of risk associated with certain securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and such changes could materially affect the Foundation's account balances and amounts reported in the Statements of Financial Position.

The Foundation recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels during the years ended December 31, 2025 and 2024.

Level 3 beneficial interest in remainder trusts, which are invested in cash equivalents, equity and fixed income funds, and other assets are measured at the present value of the future distributions expected to be received over the term of the agreement, discounted at rates between 7% and 7.5%, which reflect current market conditions, adjusted for the life expectancy of the lead beneficiary using IRS actuarial tables.

Young America's Foundation

Notes to Financial Statements

The following is a reconciliation of the beginning to ending balance of the beneficial interests in remainder trusts measured at fair value using significant unobservable inputs (level 3) during the periods ended December 31:

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 381,166	\$ 422,817
Unrealized gain (loss) on trusts	36,535	(41,651)
Beneficial interest in remainder trust	\$ 417,701	\$ 381,166

The valuation of the beneficial interest in the perpetual trusts falls under level 3, as there are no significant observable inputs. The trust valuation is based on the Foundation's interest in the fair value of the underlying trust assets.

The following is a reconciliation of the beginning to ending balance of the beneficial interests in perpetual trusts measured at fair value using significant unobservable inputs (level 3) during the periods ended December 31:

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 1,209,000	\$ 1,103,534
Unrealized gain on trusts	98,472	105,466
Beneficial interest in perpetual trust	\$ 1,307,472	\$ 1,209,000

The following tables summarize the valuation techniques and significant unobservable inputs used for the Foundation's assets and liabilities categorized within Level 3 of fair value hierarchy at December 31, 2025 and 2024:

	Fair value at December 31, 2025	Fair value at December 31, 2024	Valuation techniques	Unobservable input	Range of significant input values
Beneficial interest in remainder trust	\$ 417,701	\$ 381,166	Income approach/ Present value of future cash flows	Discount rate/ Life expectancy	7% - 7.5% IRS Actuarial Table Pub. 1458
Beneficial interest in perpetual trust	\$ 1,307,472	\$ 1,209,000	Income approach/ Discounted cash flow analysis of assets contributed to the trust	Beneficial interest based on assets contributed to the trust	N/A

Young America's Foundation

Notes to Financial Statements

5. Bequests receivable

Bequests receivable are comprised of the following at December 31:

	2025	2024
Bequests expected in:		
Less than one year	\$ 3,066,000	\$ 2,815,000
One to five years	20,000	20,000
More than five years	3,000,000	3,000,000
Total bequest receivable	6,086,000	5,835,000
Less: discount	(1,610,056)	(1,678,106)
Total bequests receivable, net	\$ 4,475,944	\$ 4,156,894

Bequests receivable are discounted to their present value using a risk-free rate of return rates between 5.00% and 6.73%.

As of December 31, 2025, two donors had bequest receivable balances outstanding which represented 76% of total bequest receivables and as of December 31, 2024, three donors had bequest receivable balances outstanding with represented 89% of total bequests receivable.

6. Promises to give

Promises to give are comprised of the following at December 31:

	2025	2024
Promises to give expected in:		
Less than one year	\$ 966,510	\$ 2,641,258
One to five years	3,657,726	3,321,318
More than five years	334,191	638,156
Total promises to give	4,958,427	6,600,732
Less: discount	(685,960)	(498,064)
Total promises to give, net	\$ 4,272,467	\$ 6,102,668

Unconditional promises to give are discounted to their present value using a risk-free rate of return rates between 2.36% and 6.38%.

As of December 31, 2025 and 2024, four donors had pledge balances outstanding which represented 77% and 66% of total promises to give, respectively.

Young America's Foundation

Notes to Financial Statements

7. Property, buildings and equipment

Property, buildings and equipment is as follows at December 31:

	2025	2024
Land and improvements	\$ 13,024,335	\$ 12,961,633
Buildings and improvements	29,660,393	29,290,239
Furniture and equipment	7,031,986	6,404,831
Vehicles	409,327	381,327
Construction in progress	2,954,838	673,024
Total property, buildings and equipment	53,080,877	49,711,054
Less: Accumulated depreciation	(22,027,752)	(20,539,801)
Property, buildings and equipment, net	\$ 31,053,127	\$ 29,171,253

Among other properties, the Foundation owns and maintains a 688-acre ranch in California, previously owned by President and Mrs. Ronald Reagan. The Foundation considers this ranch to be a historic treasure. Property, buildings and equipment include the cost of the Reagan Ranch.

In 2017, the Foundation purchased the Smith Ranch in California, which is adjacent to the Reagan Ranch.

In 2018, the Foundation purchased a house in Washington, D.C. The space serves as a unique location for intimate receptions, supporter dinners and meetings, staff and ally office space, National Journalism Center and alumni gatherings as well as other smaller events.

In 2020, the Foundation was conveyed the RRHPF in Dixon, Illinois, which included all assets and liabilities. RRHPF owned four properties in Dixon, Illinois, which included President Ronald Reagan's boyhood home, all of which were conveyed to the Foundation.

Depreciation expense totaled \$1,487,951 and \$1,469,163 for the years ended December 31, 2025 and 2024, respectively, and is included in depreciation and amortization in the accompanying Statements of Functional Expenses.

8. Collections

The Foundation holds collections for education purpose such as exhibition to the public or public research and not for financial gain. These items are protected, cared for and preserved in keeping with standard practice. The Foundation has not adopted a policy that requires revenue from the sale of any collections to be reinvested in other collections. The Foundation has no plans to sell these collections.

Young America's Foundation

Notes to Financial Statements

9. Charitable gift annuity liability The Foundation has established a gift annuity plan where donors may contribute assets to the Foundation in exchange for the right to receive a fixed dollar annual return during their lifetimes. A portion of the transfer is considered to be a charitable contribution for income tax and financial statement purposes.

The Foundation invests the assets in a financial institution separately from its other investments and considers these investments to be net assets with donor restrictions until the beneficiary's death. The Foundation maintains a separate brokerage account specifically for charitable gift annuities governed by the laws of California. The balances of this account at December 31, 2025 and 2024 totaled \$797,715 and \$754,753, respectively, and is included in other assets in the accompanying Statements of Financial Position. Total assets separately maintained as cash and investments relating to charitable gift annuities totaled \$2,004,449 and \$1,792,499 as of December 31, 2025 and 2024, respectively.

The difference between the amount provided for the gift annuity and the liability for future payments, determined on an actuarial basis, is recognized as contributions with donor restrictions at the date of the gift, since the gift portion is restricted until the obligations under the annuity have been met.

Income earned on annuity investments and distributions paid are credited and charged, respectively, against donor restricted revenue. For the years ended December 31, 2025 and 2024, contributions related to gift annuities were \$110,448 and \$224,999, respectively. Gift annuity liabilities terminated as a result of annuitant deaths during 2025 and 2024 were \$58,353 and \$21,150, respectively. The annuity liability is adjusted annually based upon actuarially computed present values.

The change in investments segregated for annuities, as reflected in the accompanying statement of activities, consists of the following at December 31:

	2025	2024
Investment income	\$ 53,669	\$ 46,029
Realized and unrealized gain	241,403	161,602
Investment fees	(22,674)	(16,506)
Payout of death	(58,353)	(21,150)
Actuarial adjustment	(43,327)	(18,298)
Change in value of investments segregated for annuities	\$ 170,718	\$ 151,677

Young America's Foundation

Notes to Financial Statements

10. Leases

The Foundation entered into a lease agreement in December 2013 for its headquarters office space located in Reston, Virginia. The lease provided for a tenant improvement allowance and rent abatement and commenced in 2014. On November 1, 2019, the lease was amended to establish a revised term of 118 months. The lease was subsequently amended in August 2025 to modify the payment terms and extend the lease term through May 2037, resulting in a remeasurement of the ROU asset and lease liability. The August 2025 amendment includes a leasehold improvement incentive totaling \$695,640, which will be reimbursed to the Foundation upon completion of the related improvements.

The Foundation maintains various leases for equipment. The leases expire on various dates ending in 2026 through 2030.

The ROU assets represent the Foundation's right to use underlying assets for the lease term, and the lease liabilities represent the Foundation's obligation to make lease payments arising from these leases. The ROU asset and lease liability from the operating leases were calculated based on the present value of future lease payments over the lease term. The Foundation has made an accounting policy election to use a risk-free rate, in lieu of its incremental borrowing rate to discount future lease payments. The weighted average discount rate applied to calculate lease liability as of December 31, 2025 and 2024, was 4.35% and 1.85%, respectively. The weighted average remaining lease term is 11.04 and 4.75 years as of December 31, 2025 and 2024, respectively.

Total operating lease cost was \$943,416 and \$943,964 for the years ended December 31, 2025 and 2024, respectively. Total cash flows from operating leases were \$1,091,178 and \$1,099,837 for the years ended December 31, 2025 and 2024, respectively.

The following is a schedule by years of future maturities of lease liabilities required under the operating leases that have an initial or remaining non-cancelable lease term in excess of one year as of December 31, 2025:

	Total
Year ending December 31,	
2026	\$ 538,744
2027	1,070,921
2028	1,056,898
2029	1,021,196
2030	1,011,399
Thereafter	7,148,959
Total lease payments	11,848,117
Less: imputed interest	(2,678,434)
Future maturities of lease liabilities	\$ 9,169,683

Young America's Foundation

Notes to Financial Statements

-
- 11. Letters of credit** A letter of credit for \$55,778 has been issued on behalf of the Foundation. The beneficiary is a business which requires it as part of a leasing agreement. The letter of credit expires on October 31, 2029. A separate letter of credit was signed in 2023 for \$11,100 which is set to expire in November 2026. In January 2025, the Foundation signed agreements for two additional letters of credit for a total of \$500,632 for performance bonds with the County of Santa Barbara, California to begin construction of the Moore Ranch Center, which were set to mature in January 2026. One of these letters of credit, in the amount of \$293,163, was released in December 2025 upon completion of the related work. The remaining letter of credit associated with the Moore Ranch Center performance bonds totaled \$207,469 and was originally set to mature in January 2026. This letter of credit was subsequently renewed and is now scheduled to mature in January 2027.
- 12. Deferred compensation plans** The Foundation has established a nonqualified deferred compensation plan (457(b) Plan) for members of management. Assets held in the 457(b) plan were \$778,354 and \$509,927 as of December 31, 2025 and 2024, respectively. A deferred compensation liability in the same respective amounts, representing employee contributions, is included in the accompanying Statements of Financial Position. The assets held for the plan are distributed upon termination of employment and until that time, remain subject to the claims of the Foundation's general creditors. Employer contributions to the plan totaled \$0 for the years ended December 31, 2025 and 2024.
- The Foundation also entered into a deferred compensation plan under section 457(f) of the Internal Revenue Code with its current and former presidents. Assets held in the plan were \$66,304 and \$54,707 as of December 31, 2025 and 2024, respectively. A deferred compensation liability in the same respective amount, representing employer contributions, is included in the accompanying Statements of Financial Position. Employer contributions to the plan totaled \$0 for the years ended December 31, 2025 and 2024.
- 13. Risks and uncertainties** In the normal course of operations, the Foundation may be party to claims (both as a plaintiff and a defendant). As of December 31, 2025 and 2024, there are no unaccrued claims against the Foundation which management believes will have a material adverse effect on the Foundation's financial position.

Young America's Foundation

Notes to Financial Statements

14. Net assets Net assets with donor restrictions are available for the following purpose at December 31:

	2025	2024
Purpose restricted for periods after December 31:		
Program assistance: unappropriated endowment earnings	\$ 10,390,458	\$ 7,207,032
Restricted contributions – student conferences	486,083	855,000
Ranch secret service command post	334,679	345,717
	11,211,220	8,407,749
Time restricted for periods after December 31:		
Beneficial interests in charitable trusts	417,701	381,166
Bequests receivable	6,086,000	5,835,000
Gift annuities	963,051	792,333
Promises to give	4,958,427	6,600,732
	12,425,179	13,609,231
Perpetual endowment		
High school conference	1,900,000	1,900,000
Internships	334,699	334,698
Reagan ranch endowment	14,919,825	14,919,825
Reagan ranch manager	1,000,000	1,000,000
Student education	3,518,762	3,518,762
Promises to give – scholarships	-	10,000
Scholarships	3,383,083	3,133,163
Yale lecture series	500,000	500,000
Lecture series	765,808	599,984
NJC interns	200,000	-
Promises to give – lecture series	700,016	700,016
General funds	4,342,700	4,342,700
Beneficial interest in perpetual trust	1,307,472	1,209,000
	32,872,365	32,168,148
Total net assets with donor restrictions	\$ 56,508,764	\$ 54,185,128

Young America's Foundation

Notes to Financial Statements

Net assets released from donor restriction by incurring expenses satisfying the restricted purposes, or by occurrence of other events specified by the donor, are as follows for the year ended December 31:

	2025	2024
Appropriated endowment earnings net of endowment investment return	\$ 1,867,668	\$ 1,677,278
Time restricted	1,917,305	3,853,538
Purpose restriction	8,737,376	8,588,005
Net assets released from restriction	\$ 12,522,349	\$ 14,118,821

15. Endowment funds

The Foundation's endowment consists of restricted contributions established for a variety of purposes (see Note 14). Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Endowment net assets are composed entirely of donor-restricted funds.

Interpretation of relevant law: Management of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions – perpetual endowments (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified in net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- i. The duration and preservation of the fund;
- ii. The purposes of the organization and donor-restricted endowment fund;
- iii. General economic conditions;
- iv. The possible effect of inflation and deflation;
- v. The expected total return from income and appreciation of investments;
- vi. Other resources of the organization;
- vii. The investment policies of the organization.

Young America's Foundation

Notes to Financial Statements

Changes in endowment net assets for the year ended December 31, 2025:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 37,456,164	\$ 37,456,164
Investment income			
Investment gain:			
Investment income	-	7,779	7,779
Net gain – realized/unrealized	-	5,043,316	5,043,316
Total investment gain	-	5,051,095	5,051,095
Contributions	-	615,743	615,743
Appropriation of endowment assets for expenditures	-	(1,867,668)	(1,867,668)
Endowment net assets, end of year	\$ -	\$ 41,255,334	\$ 41,255,334

Changes in endowment net assets for the year ended December 31, 2024:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 33,813,306	\$ 33,813,306
Investment income			
Investment gain:			
Investment income	-	10,345	10,345
Net gain – realized/unrealized	-	4,946,512	4,946,512
Total investment gain	-	4,956,857	4,956,857
Contributions	-	363,279	363,279
Appropriation of endowment assets for expenditures	-	(1,677,278)	(1,677,278)
Endowment net assets, end of year	\$ -	\$ 37,456,164	\$ 37,456,164

Funds with deficiencies: From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to return as a fund of perpetual duration. As of December 31, 2025 and 2024, there were no funds with deficiencies.

Young America’s Foundation

Notes to Financial Statements

Return objectives and risk parameters: The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to preserve the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period. Under the investment policy, the endowment assets are invested primarily in level one investments to assume a low level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return of 5% annually. Actual return in any given year may vary from this amount.

Strategies employed for achieving objectives: To satisfy its long-term rate-of-return objectives, the Foundation relies on a return strategy in which investment returns are achieved through current yield (interest and dividends) and capital appreciation.

Spending policy and how the investment objectives relate to spending policy: The Foundation has a policy of appropriating for distribution each year the income earned on the endowment funds. In establishing this policy, the Foundation uses a 5% payout rate. Accordingly, over the long-term, the Foundation expects the current spending policy to remain consistent. This is consistent with the Foundation’s objective to preserve the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

16. Related party transactions

One board member was engaged as a conference speaker during 2025 and received an honorarium of \$5,000 for their service. Two board members were engaged as conference speakers during 2024 and received honoraria of \$30,000 for their services. Amounts purchased or incurred by related parties totaled approximately \$30,000 and \$23,000 for the years ended December 31, 2025 and 2024, respectively. There were no amounts owed to related parties as of December 31, 2025 and 2024. Board members are prohibited from participating in decisions for which they have an interest. Board members contributed approximately \$56,000 and \$46,000 for the years ended December 31, 2025 and 2024, respectively, to the Foundation.

17. Allocation of joint costs

During 2025 and 2024, the Foundation incurred joint costs of \$4,699,537 and \$4,699,908, respectively, for information materials primarily related to direct mail, house file mailing and newsletters that included fundraising appeals. Pursuant to joint cost rules (see Note 1), these costs were allocated to the functional areas as follows for the years ended December 31:

	2025	2024
Program services	\$ 3,816,862	\$ 3,671,138
Fundraising	882,676	1,028,770
Total	\$ 4,699,538	\$ 4,699,908

Young America's Foundation

Notes to Financial Statements

- 18. Pension plan** The Foundation offers a tax-sheltered 403(b) annuity plan to its employees. All full-time employees are eligible for participation on the first of the month following the date of employment. Employer contributions to the plan totaled \$0 for the years ended December 31, 2025 and 2024.
- 19. Hotel commitments** The Foundation typically signs contracts with hotels for future events a year or longer in advance of the event. It is also not unusual for a cancellation clause to be included in these hotel contracts. At December 31, 2025, the Foundation had eight hotel contracts that include cancellation clauses. These cancellation clauses require the payment of a cancellation fee if the Foundation cancels the event up to approximately \$511,000.